

### **REMARKS**

Applicants gratefully acknowledge withdrawal of the rejection of claims 14-21 under 35 U.S.C. 102(e) as being anticipated by Haefner et al. (US 6,532,420).

Claims 12-21 and 33 have been rejected under 35 U.S.C. 103(a) as being unpatentable over Haefner et al. in view of Kimle et al. (US 2005/0004809 A1).

The present invention provides a method and a system for producing a blend output for use by a manufacturer to blend component ingredients to form a blended product. The present invention does not relate to static data, but rather relates to the management of constantly changing conditions and employs a method and system for managing production based on those changing conditions. This method comprises first downloading, over a network, time-sensitive data representing the current cost of at least one material whose price fluctuates based at least in part on market conditions. This downloaded current cost information is used to calculate an actual cost of blending said product, and the difference between the actual blend cost and a model blend cost is automatically calculated. A blend output to form a blended product based at least in part on the calculation is then formulated. The methodology of the present invention is an abrupt departure from conventional cost analysis, which keeps track of the price already paid for the inventory unit being used in a formulation (i.e. in a static manner), rather than incorporating new and projected costs of ingredients to be used in a blended product. See paragraph 0012 of the present specification. Thus, the present claims are drawn to a method and system that determines whether to execute time sensitive purchases for a specific formula blend based on network monitoring of time sensitive data, and formulating new recipes based on the cost of a price fluctuating component. The method and system provided by the present invention provides significant advantages, such as listed in paragraph 0019 of the present specification.

Haeffner relates to a process for evaluation of an existing feedstuff to determine whether it needs supplementation, and whether the existing foodstuff can be economically enhanced to satisfy the desired nutritional profile based on static cost information as compared to the cost of existing feedstuff.

As acknowledged in the outstanding Office Action, Haefner fails to teach the use of time sensitive cost data related to current market cost for the ingredients in the production of animal feed materials. It is respectfully submitted that without this starting component, the skilled artisan starting from the Haefner disclosure cannot reach the next stage in the present invention, which is to provide for the reformulation of a blend output in response to the fluctuating price of at least one component, where the price is monitored by a data network to provide current cost information.

Kimle does not bridge the gap between Haefner and the present invention, because it also does not relate to the use of cost-related data downloaded over a network. Instead, Kimle is a system for providing product information to facilitate formation of a contract. Specifically, Kimle discloses a method of facilitating the contracting of agricultural products using the Internet, wherein buyers and sellers are provided with real time information relating to the type and amount of agricultural products available for contract. The system is essentially a listing service of products desired, so that buyers and sellers can identify in real time the quantity and types of agricultural products under contract and available for contract. The system can manage delivery preferences, quality data and determines the contract pricing based on these criteria. See the abstract. Thus, Kimle is focused on facilitating transmitting information for enabling contracts of purchase, and has no relation or suggestion regarding modification of end use products in response to the fluctuating price of at least one component, where the price is monitored by a data network to provide current cost information.

The conclusion in the Office Action that the Haeffner system would benefit from Kimle by obtaining real time prices ignores the fact that Kimle does not use real time prices as a data point that is provided. Kimle provides a system to help form a contract that itself will have price as an output, not an input. The result of this combination as suggested in the Office Action can only be obtained through hindsight reconstruction of

the claim and reassigning the outputs as taught in the prior art to be data inputs in order to approximate the present claim. There is no suggestion from the references that would motivate one to turn the references inside out as required for the combination to be similar in form to the present claims. The Office Action further does not establish that the skilled artisan on their own would carry out such a permutation of the teaching of the references without guidance from the present claims themselves.

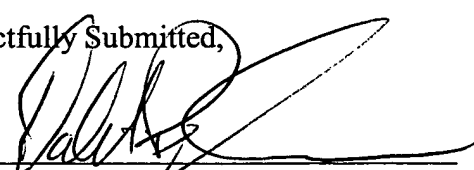
It is respectfully submitted that, even if combined, the combination of Haeffner with Kimle falls short of the present claims. Specifically, if one were to combine Haeffner with Kimle, at best one would have a system where the purchase of agricultural products was facilitated by a Kimle-type system. The price of the commodity purchase using the Kimle system would then be used as the static input of the price paid for that product using a Haeffner-type feedstuff supplementation system. The skilled artisan would have had no motivation from these references even in combination to generate a blend output based on currently prevailing costs of ingredients from a fluctuating price based at least in part on market conditions.

### **CONCLUSION**

In view of the amendments and remarks provided herein, Applicants respectfully submit that all of the pending claims are in condition for allowance, and respectfully request notification thereof. In the event that a phone conference between the Examiner and the Applicants' undersigned attorney would help resolve any remaining issues in the application, the Examiner is invited to contact the attorney at (651) 275-9811.

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Respectfully Submitted,

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